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Montana's Film Incentive Bill Signed by the Governor

Montana Film Office Wins Top Award for Advertising

(HELENA) — Montana gained more traction in the film recruiting arena with the passage of House Bill 40 – The Big Sky on the Big Screen Act – which was signed into law May 3, 2007.

"This is an important part of Montana's economy, and we aim to grow it," Governor Schweitzer said upon signing the bill. "Film and television production brings new dollars into our economy, and puts our state in the spotlight for the world to see."

The legislation, sponsored by Representative Dave Gallik (D-Helena) and Senators Kim Gillian (D-Billings) and Bob Hawks (D-Bozeman), is designed to encourage film production in Montana. The measure gives production companies a 14 percent incentive rebate on all Montana labor hired for film production and a nine percent rebate on all production-related Montana expenditures including lodging, equipment rental, fuel, lumber and construction materials.

"This legislation will significantly increase tax revenues and jobs for our young, talented university graduates," said Montana Department of Commerce Director Anthony Preite. "It is a tool to improve the clean, creative, year-round film industry we already have. The benefits to Montanans are endless."

This is an improvement over the original Big Sky on the Big Screen bill that was passed during the 2005 legislative session. The 2005 bill provided for a 12 percent tax credit on Montana labor used during filming, and 8 percent for money spent on goods and services in Montana. But it also capped the tax credits on the first million dollars spent.

While raising the percentages on the tax credits is a priority to stay competitive, the most significant benefit derived from this revision of the Big Sky on the Big Screen Act is that the \$1 million cap was removed.

"The cap effectively put us out of the running for any project larger than \$10 million," Montana Film Office (MFO) Manager Sten Iversen explained. "There are too many states ahead of us with tax credits and caps of \$7 million to \$10 million, or no cap at all."

Courting Hollywood has become an increasingly competitive endeavor. Iversen just returned from a Los Angeles trade show where more than 300 film offices worldwide were in attendance trying to lure film producers their way. In the two years since Montana enacted their original film bill, Montana's incentives have been surpassed by nearly 16 states. HB 40 moves Montana back up the ladder about six rungs. According to a panel of Hollywood insiders who presented at Montana's 2007 Economic Development Summit in Butte last week, Montana needs to keep their incentives competitive to remain attractive to film companies. The panel, which included production executives from Disney, applauded Montana for their efforts in updating the legislation and being proactive in attracting production.

In other film news, Montana was recently honored for its advertising work promoting film production in the state. The Association of Film Commissioners International (AFCI), the worldwide professional organization of film offices, honored national and international film commissions with the AFCI annual marketing awards. The MFO won the top award for color advertising for their "Leave Your Passport, Bring Your Vision" campaign, which was designed by their advertising agency, Wendt Advertising. The judges, whom consisted of film industry professionals, selected Montana's winning entry over submissions from film commissions from around the world.

"For our Film Office to be recognized for their work among this caliber of competition is very exciting," said Governor Schweitzer. "I applaud their outstanding work and I am confident their advertising is catching the eye of film producers as well!"

The Montana Film Office is a part of the Department of Commerce and promotes filming in Montana as a means of economic development. In 2006, Montana's film industry generated \$7 million in film production spending within the state. Film production created 122 full-time equivalent jobs in the film industry and 57 full-time equivalent jobs in the general economy. In addition, the film industry contributed \$560,000 of tax revenue to the state.

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